

**Finance and Business  
2006-2007 Annual Report**

**I. Programs**

**A. Changes in Scope of Activity**

- Design and Construction Services showed a marked 34% in project volume.
- Building maintenance services added for Park Alumni, D.H. Hill East Wing, Withers, Peele Hall and portions of Daniels Hall.
- Added 19 new/renovated buildings to campus web based energy control systems.
- Established Housekeeping Emergency Response Team (HERT).
- Transitioned housekeeping and grounds services at Centennial Campus and Centennial Biomedical Campus back to in-house operations.
- Corporate Research I Building was leased to MeadWestvaco while planning their expansion. The overall move included gifted laboratory facilities in Robertson Hall and supplemental leased space in Partners I and Research II.
- Occupancy of Centennial Campus is currently at approximately 99% public and private.
- Federal Indirect Cost Proposal – Over three years of preparation resulted in negotiation of major increases (2 ½% for two years and 3% for third year) in University's indirect cost rate.
- Initiated scanning efforts to reduce amount of paper used in campus offices.
- Merged Copy Center and University Graphics to reduce administrative costs.
- Secured a contract to provide web credit card services for campus units.
- Implemented online Inter-Departmental Transfers (IDTs) in the Financial System.
- Implemented “Crystal” reporting suite as an ad hoc reporting tool for administrative systems.
- Implemented the new HazTrack System to track hazardous materials on campus.

- Implemented Wolfpack Reporting System to consolidate financial reporting tools.
- Expansion of mirroring configuration across data centers. RMIS/ITD consolidated tape library in Data Center II, NetBackup 6.0 upgrade.
- Design and deployment of virtual server infrastructure - 115 virtual servers including hosted systems.
- Foundations Accounting and Investments (FAI) expanded accounting, audit, reporting and internal control responsibilities for the Alumni Association (7-1-07) and for the LLC's supporting Centennial Campus development (4-1-07).
- Successfully completed Campus Police Re-Accreditation On-Site.
- Campus Police conducted its First Citizens Police Academy during Spring 2007.
- Radiation Safety Program Enhancements: Implemented X-ray safety refresher training (web based); revised Moisture Density Gauge training (web based) and developed new PI process for x-ray devices (new, transfers, co-PI applications).
- Industrial Hygiene: Developed new Indoor Air Quality webpage, convened a CVM Advisory Group to review/improve the Occupational Medicine Program.
- Lot 86 - completed ground water pumping facility.
- Developed the Environmental Compliance Information Management System and hand-held device used for field audits.
- Campus-wide Train Derailment Exercise: \$90,000 grant funds from Department of Homeland Security for Train Derailment Exercise, facilitated RFP process and coordinated train derailment exercise with vendor.
- Participated in Pandemic Flu Planning.
- Completed RFP process and transitioning towards start-up with new transit operator.
- Completed Peer University Benchmarking Study (PUBS) comparing our parking and transit operations to our peers.

- Initiated Precinct Parking Study to examine parking needs across campus.
- Established central office to coordinate campus needs involving workers compensation, disability, ADA, FMLA, family illness leave, shared leave program, faculty scholarly leave, military leave, etc.

**B. Volume of Activities**

	<u>2005-06</u>	<u>2006-07</u>
Total Work Orders Processed	37,736	43,683
Gross Sq. Ft. Maintained – Maintenance	8,591,658	9,034,557
Gross Sq. Ft. Maintained – Custodial	6,893,829	7,273,929
Tons Recycled	1,702	1,675
Tons of Trash to Landfill	3,963	3,920
Steam Generation – Main Campus (lbs)	600,000,000	630,000,000

**Number of Formal and Informal Projects (# / \$ Value)**

Projects Initiated	187 / \$64,618,052	287 / \$126,703,398
Projects Completed	238 / \$184,579,658	224 / \$60,898,743
Classroom Hotline Calls (approximate number)	374	296
Facilities Modification Requests Processed	107	133

**Historically Underutilized Business**

Informal Projects: % Total Dollars Won by HUBs	16%	16%
Formal Projects: % Total Dollars Won by HUBs	0.77%	21.57%

	<u>2005-06</u>	<u>2006-07</u>	<u>%Chg.</u>
EPA hires	896	1,063	+ 19%
SPA hires	740	853	+ 15%
H-1B Visa applications handled for depts.	171	162	- 5%
BASIC employment verifications processed since 01/01/07		3,789	
Background checks since 04/01/07		1,288	
New positions established	229	142	- 48%
Positions banded by 02/01/07		2,500	
Payroll payment transactions	222,761	249,016	+ 12%
W-2s issued	21,131	21,371	0%
Retirements processed		153	
New employee orientations	86	84	- 2%
Participants in all training programs	3266	3183	- 3%

- Wired outlets grew from approximately 26,500 to approximately 27,500 and wireless access points grew from 500 to over 800.
- Blocked SPAM/Virus messages increased 50%, from 1.5 million to ~2.1 million per month.

- Blackberry Enterprise service users increased from 75 to approximately 150.
- Total net market value of assets under management by Foundations Accounting and Investments as of 3/31/2007 was approximately \$480 million, representing a 10% increase from the prior year and included \$340 million in the NC State Investment Fund, Inc. (NCSIF).
- The Bookstore's total net sales projected to be \$15,550,000 is an increase of approximately \$1,025,000 over the prior year.
- The Real Estate Office closed \$31.2 million in transactions, which included \$25.3 million in gifts of real property. The Real Estate Office sold \$441,357 in-house without incurring commission expenses.
- Reported crime to the police department was down 10% for the school year.
- Emergency Communications Center answered 86,330 telephone calls.

### **C. Special Achievements of Significance**

- Facilities Division was awarded the APPA Award for Excellence in Facilities Management – APPA's highest institutional honor.
- 2007 Physical Master Plan update was approved by the Board of Trustees Buildings and Property Committee April 2007 meeting.
- No major or minor State Audit findings in the State Audit.
- The Bookstores and all affiliated entities received clean audit opinions and no reportable management letter items.
- Performed extensive automated and manual setbacks over extended Winter Break and significantly reduced energy usage saving the University over \$300,000.
- The Historically Underutilized Business (HUB) Office developed relationships with North Carolina Indian Development Initiative, Inc., Hispanic Contractors Association of the Carolinas, and United Minority Contractors of NC.

- One-on-one meetings were held with 60 HUB construction and design firms.
- Closed out eight Bond projects and completed the design phase of the program.
- In cooperation with student affairs, an exercise course was constructed in a 2.3-mile loop around Centennial Campus.
- Gift of \$3 Million Dollars was received that permitted the construction of the Centennial Campus Golf Course. Construction will begin on June 25, 2007.
- The Wildlife Resources Commission received a federal grant for approximately \$150,000 to enable the construction of a fishing pier and wildlife viewing area on Lake Raleigh.
- Upgraded the Financial System to version 8.9 and Advance System to version 8.2.
- Upgraded The Employee Activity Reporting System (TEARS).
- Synchronized all employee ID numbers between the HR System and legacy Student System.
- Negotiation of 3-year CATV contract resulted in 15% decrease in cost.
- Cashier's Office awarded the Jenny Chang Service Award by Student Government for outstanding services to students by a campus department.
- The Bookstore received the Independent College Bookstore Association (ICBA) National Award for Excellence in Financial Reporting.
- A second forward swap of \$22 million was negotiated in August 2006 and will serve to further diversify the types of outstanding interest rate swaps. Two bond series were called using released reserves and internal funds – resulting in an interest savings of \$357,995.
- Social Security Compliance audited by State Auditor.
- QuickStart's first year resulted in 141 graduates.
- Staffed and participated in PACE System-wide and campus initiatives.

#### **D. Special Program Reviews, Studies or Plans**

- AERES Enhancements: 480 total system users and 191 O&M manuals loaded.
- Designed first phase of a greenway system that will connect the Avert Ferry corridor to the Lake Wheeler corridor at the Farmer's Market.
- North Shore project litigation was settled in April 2007. The project is currently being re-branded and redesigned. Construction is expected to begin late in 2007.
- In 2006 the location of the future "American Home at North Carolina State University" was established in the Spring Hill precinct. In the spring of 2007 a fundraising feasibility study was concluded.
- Payment Card Industry (PCI) Data Security Standards (DSS) compliance.

#### **II. Compact Plan: Major Initiatives**

- Sustainability guidelines were embedded into Construction Guidelines.
- Food service was added to Centennial Campus in May of 2007.
- Delivered space leases to two additional corporate tenants (EBX and Agilent) as well as renewals on two major existing corporate clients (Erimos Pharmaceuticals and Talecris Biotherapeutics).
- Completed and submitted the annual financial information to the State Controller's Office.
- Implemented 13 vendors in the "Marketplace" resulting in reduced processing costs and negotiated lower pricing. Increased savings and cash rebates by \$509,624 over fiscal year 2006 with approximately \$200,000 in cash available for reallocation in 2007-2008.
- Internally funded position to support administrative research support systems through efficiency savings, upgraded the faculty accounting reporting system, and upgraded the Prior Approval Reporting System for contracts and grants adjustments.

- Phone service surpassed 99.99% uptime, CATV exceeded 99.99% uptime.
- Completed IP telephony pilot and finalized project plan for deployment.
- Created “virtual data center” network to support resiliency.
- The Bookstore continues to play a pivotal role in addressing textbook affordability for our students.
- Significant real estate initiatives were completed including: 1) Sale of Chinqua-Penn for \$4,128,500; 2) Greek Court Redevelopment land lease model on Council of State agenda for July 2007; 3) CMAST ground lease pending signature at State Property Office; 4) Options to purchase 365 acres for Eastern 4-H Center; and 5) Centennial Biomedical Campus land lease model.
- The Centennial Campus 2007-2011 Business Plan was completed.
- Implemented Direct Deposit for all employees, including temps and students.
- Childcare Program established with Bright Horizons, 21 discounted slots to employees.
- Implemented background checks for all faculty, staff, post-doc, and temporary hires
- Conducted comprehensive salary study for 2007-08 faculty/SAAO salary pay ranges
- Implemented web-based exit interview survey.

### **III. Diversity: Initiatives and Progress**

- 52 participants in English as Second Language and Workplace Spanish.
- 65 participants in Diversity-Phase 2, **MEET** on Common Ground (**M**ake Time to Discuss, **E**xplore Differences, **E**ncourage Respect, **T**ake Personal Responsibility).
- 84 participants in Unlawful Workplace Harassment.
- Provided new employee orientations in Spanish, French, and Pashto.
- Heather Holland appointed to Mayor’s Committee for Services to Persons w/ Disabilities.

#### **IV. Staff**

##### **A. Major New Appointments**

- Terree Kuiper promoted to Senior Director, Human Resources.
- Galen Jones promoted to Director, Employee Relations.
- Kathy Lambert promoted to Director, Employment Services.
- Kevin Rice promoted to Director, Training & Organizational Development.
- Deborah Wright promoted to Director, Classification & Compensation.
- Carole Acquesta hired as Director of Capital Project Design.
- Ralph Recchie, hired as Director of Real Estate.
- Libby George promoted to Director of Investments.

##### **B. Kudos, professional activities and recognition**

- Pathways Leadership Program Graduates: Leo Howell, Henry Vail, Deborah Murphy, Tuyen Tran, Robert Bradley, Mark Carpenter, Joe Denning, Shirley Harris, James Lindsey, Angela Lord, Kathleen O'Brien, Christine Powe, Billy Sanders, Nessa Stone, Willy Yamamoto and Kimberley Khan.
- Richard Hayes served on the Follett Advisory Council and officer of the ICBA.
- Ann Turner and Sheila Bolden were selected as winners of the Finance and Business Awards for Excellence.
- Leo Howell, Teresa Kearns and Joy Martin were nominated for Finance and Business Awards for Excellence.
- Kevin MacNaughton elected Chair of State Building Commission.
- Bob Wood is the president of the UNC Purchasing Association Board.

#### **V. Recommendations and Concerns for the Future**

- Escalation of energy usage and costs on campus with building growth and volatility of fuel prices.



- Ability to fund infrastructure expansions under current accounting regulations to react to growth of thermal utilities on the three campuses as well as age and condition of current infrastructure.
- Need to bring a more university-wide approach to marketing the intellectual assets associated with Centennial Campus.
- Competitive salaries needed to hire and retain the talent needed for the complex scope of services.
- Borrowed funds continue to rise as capital needs of auxiliaries grow to meet student demand.
- Transition to tuition billings at per credit hour rates will be challenging and economically costly.
- Growth in delivery of distance education and relational impact on the regular term enrollment targets.
- Exponential growth in fee units, fee charging and fee rates in direct conflict with system wide direction.
- Pending telecommunications regulatory changes (eg. USF, CALEA, RIAA, etc.) could create huge workload/cost increases and exposure to NC State.
- Cable TV infrastructure becoming dated requiring a significant upgrade in next 2-3 years.
- Inadequate funding for the data network will eventually impact network availability due to inadequate lifecycle replacement (of building level switches) while severely limiting new service offerings.
- Increased demand for more PDA/Smart phone device (Trio/Palm/Windows media) support services.

- Actively participate in system-wide per credit hour tuition project and undertake a campus initiative to study campus behavior in discipline specific tuition and the shift in enrollment from regular term to DE.
- Implement security awareness training for all University faculty and staff.
- Consolidate information technology resiliency efforts due to the interdependency of infrastructure.

## **VI. Impacting Energy and the Environment**

- Setback temperatures in 140 buildings during 2006 holiday season that resulted in savings of \$310K.
- Reduced water consumption per gross square foot as compared to baseline year 2001-02 from 0.066 CCF/GSF *Hundred Cubic Feet (CCF) per Gross Square Foot (GSF)* to 0.054 CCF/GSF during 2004-05.
- Completed HVAC tune-ups in 8 buildings and completed lighting controls and upgrades in 8 other buildings.
- Installed a central irrigation control system.
- Purchased and installed energy efficient motors.

## **VII. Improving Educational Innovation:**

- With the assistance of ETF funding, wireless coverage expanded by over 60% in the past 12 months with an emphasis on academic learning spaces. The availability of wireless continues to be a priority item to many faculty as evidenced by the latest recommendations of the Classroom Environment Committee so it would seem that this achievement has a direct impact in allowing innovation in the classroom.